

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1528

Introduced by Assembly Member Cohn

February 21, 2003

~~An act relating to health care coverage.~~ *An act to add Sections 1342.9 and 1357.19 to, and to add Division 100 (commencing with Section 100000) to, the Health and Safety Code, and to add Sections 12712.7 and 12714.5 to the Insurance Code, relating to health care, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1528, as amended, Cohn. Healthy California Act of 2003.

Existing law provides health care coverage programs to segments of the population ~~meeting specified criteria~~ who are otherwise unable to obtain health care coverage *and who meet various eligibility requirements. These programs include the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, and the Medi-Cal program, administered by the State Department of Health Services.*

This bill would ~~state the intent of the Legislature to~~ enact the Healthy California Act of 2003. *The bill would create the California Essential Health Benefits Program that would be administered by the Managed Risk Medical Board to ensure access to health care coverage for all Californians. The bill would require employers to pay an assessment for health care coverage purposes unless the employer provides its employees and dependents with the essential health benefits that are offered by the program. The bill would require the program to offer*

health care coverage to employees of employers who pay the program assessments for health care coverage. The bill would require the Employment Development Department to collect these assessments. Because these assessments would be a tax on employers, the bill would require a $\frac{2}{3}$ vote of each house of the Legislature for passage.

The bill would create the continuously appropriated Essential Health Benefits Fund that would be funded by assessments on employers and premiums from individuals who elect to purchase essential health benefits from the program. Because these assessments and premiums would be placed in a continuously appropriated fund, the bill would make an appropriation.

The bill would provide that the program is not subject to licensure or regulation by the Insurance Commissioner or the Director of the Department of Managed Health Care. The bill would require the Franchise Tax Board to distribute a form prepared by the Managed Risk Medical Insurance Board containing information about the program. The bill would make other related changes.

Vote: ~~majority~~ $\frac{2}{3}$. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. It is the intent of the Legislature to enact the~~
- 2 ~~SECTION 1. Section 1342.9 is added to the Health and Safety~~
- 3 ~~Code, to read:~~
- 4 ~~1342.9. Notwithstanding any other provision of law, it is the~~
- 5 ~~policy of this state that health care service plans shall operate in~~
- 6 ~~a manner consistent with their participation in the California~~
- 7 ~~Essential Health Benefits Program established under Division 100~~
- 8 ~~(commencing with Section 100000). Any provisions of this chapter~~
- 9 ~~that are inconsistent with participation by licensed health care~~
- 10 ~~service plans in the California Essential Health Benefits Program~~
- 11 ~~shall be waived by the department to the extent necessary to~~
- 12 ~~authorize a health care service plan to participate in the program.~~
- 13 ~~Notwithstanding any other provision of this chapter, a health care~~
- 14 ~~service plan shall comply with the following:~~
- 15 ~~(a) May offer coverage of health care benefits consisting only~~
- 16 ~~of the essential health benefits and cost sharing pursuant to~~
- 17 ~~Section 100013 and any regulations and policies adopted by the~~

1 *Managed Risk Medical Insurance Board to implement Section*
2 *100013.*

3 *(b) May not offer coverage of health care benefits with fewer*
4 *benefits or greater cost sharing than provided by Section 100013*
5 *and any regulations and policies adopted by the Managed Risk*
6 *Medical Insurance Board to implement Section 100013.*

7 *SEC. 2. Section 1357.19 is added to the Health and Safety*
8 *Code, to read:*

9 *1357.19. Notwithstanding any other provision of law, the*
10 *rating of small groups by any health care service plan, multiple*
11 *employer trust, or Taft-Hartley trust shall be consistent with the*
12 *requirements of the California Essential Health Benefits Program*
13 *established by Division 100 (commencing with Section 100000),*
14 *and any regulations and policies adopted by the Managed Risk*
15 *Medical Insurance Board to implement Division 100.*

16 *SEC. 3. Division 100 (commencing with Section 100000) is*
17 *added to the Health and Safety Code, to read:*

18
19 *DIVISION 100. THE CALIFORNIA ESSENTIAL HEALTH*
20 *BENEFITS PROGRAM*
21

22 *100000. (a) It is the intent of the Legislature to enact the*
23 *Healthy California Act of 2003 by creating the California*
24 *Essential Health Benefits Program in order to ensure access to*
25 *health care coverage for all Californians. The program shall*
26 *include all of the following:*

27 *(1) Requiring employers to participate in a program to pay for*
28 *health care coverage.*

29 *(2) Requiring individuals who are not covered by an employer*
30 *or a public program to secure and maintain health care coverage.*

31 *(3) Ensuring that all persons eligible for Medi-Cal, the Healthy*
32 *Families Program, or other governmental health care coverage or*
33 *assistance are enrolled in the specific program and receive the*
34 *services to which they are entitled.*

35 *(4) Establishing an essential benefit package that is available*
36 *to all Californians regardless of health status through health care*
37 *service plans and health insurers.*

38 *(5) Providing public support, in varying degrees, for all*
39 *persons who are unable to afford health care coverage, through tax*
40 *policies and subsidies.*

- 1 (6) *Reforming the current health insurance market.*
2 (b) *It is the goal of this division to achieve the maximum*
3 *feasible enrollment of Californians in health plans that offer, at a*
4 *minimum, an essential benefit package to all individuals.*
5 100001. *The California Essential Health Benefits Program is*
6 *hereby created in the Health and Human Services Agency.*
7 100002. *Unless the context requires otherwise, the following*
8 *definitions govern the construction and meaning of the terms used*
9 *in this division:*
10 (a) *“Board” means the Managed Risk Medical Insurance*
11 *Board established by Section 12710 of the Insurance Code.*
12 (b) *“Community rating” or “community rated” means rates*
13 *that do not vary by actual or expected claims experience or any*
14 *other factors other than age, geography, or benefits selected.*
15 (c) *“Dependent” means the spouse, minor child, permanently*
16 *disabled child, or legally dependent parent of a covered employee.*
17 (d) *“Employee” means a person as defined in Article 1.5*
18 *(commencing with Section 621) of Chapter 3 of Part 1 of Division*
19 *1 of the Unemployment Insurance Code.*
20 (e) *“Employer” means an employer, as defined in Article 3*
21 *(commencing with Section 675) of Chapter 3 of Part 1 of Division*
22 *1 of the Unemployment Insurance Code, employing for wages or*
23 *salary _____ or more persons to work in this state.*
24 (f) *“Employment” is defined in Article 1 (commencing with*
25 *Section 601) of Chapter 3 of Part 1 of Division 1 of the*
26 *Unemployment Insurance Code.*
27 (g) *“Essential benefit plan” means a health plan including*
28 *only the essential health benefits contained in Section 100013.*
29 (h) *“Essential health benefits” means the minimum mandatory*
30 *covered services and cost sharing limits required by Section*
31 *100013.*
32 (i) *“Fund” means the Essential Health Benefits Fund created*
33 *in Section 100004, including the money deposited therein.*
34 (j) *“Health plan” means a health or disability insurer*
35 *regulated by the Department of Insurance pursuant to Chapter 1*
36 *(commencing with Section 10110) of Part 2 of Division 2 of the*
37 *Insurance Code, a health care service plan regulated by the*
38 *Department of Managed Health Care by the Knox-Keene Health*
39 *Care Service Plan Act of 1975 pursuant to Chapter 2.2*
40 *(commencing with Section 1340) of Division 2, a self-funded*



1 *employer-sponsored plan, a multiple employer trust, or a*
2 *Taft-Hartley Trust as defined by federal law, authorized to pay for*
3 *health care services in this state.*

4 (k) *“High option benefit plan” means a plan of health benefit*
5 *coverage with benefits in excess of the essential health benefits*
6 *specified in Section 100013.*

7 (l) *“Medically necessary” means an intervention that, as*
8 *recommended by the treating physician and determined by a health*
9 *plan’s medical director or physician designee, is all of the*
10 *following:*

11 (1) *A health intervention for the purpose of treating a medical*
12 *condition.*

13 (2) *The most appropriate supply or level of service, considering*
14 *potential benefits and harms to the patient.*

15 (3) *Known to be effective in improving health outcomes. For*
16 *new interventions, effectiveness is determined by scientific*
17 *evidence. For existing interventions, effectiveness is determined*
18 *first by scientific evidence, then by professional standards, then by*
19 *expert opinion. All intervention shall be cost-effective for the*
20 *patient’s condition compared to alternative interventions,*
21 *including no intervention. Cost-effective does not necessarily*
22 *mean lowest price.*

23 (m) *“Principal employer” means the employer for whom an*
24 *employee works the largest number of hours in any month.*

25 (n) *“Program” means the California Essential Health Benefits*
26 *Program created in Section 100001.*

27 (o) *“Purchasing Pool” has the same meaning as “program.”*

28 (p) *“Wages” means all remuneration for services from*
29 *whatever source, including salaries, commissions, bonuses, and*
30 *tips and gratuities, paid directly to an individual by a customer or*
31 *his or her employer.*

32 *100004. The Essential Health Benefits Fund is hereby created*
33 *in the State Treasury. All funds collected for any of the following*
34 *purposes shall be deposited in the fund:*

35 (a) *Assessments paid to the board from employers who elect to*
36 *pay an assessment pursuant to Section 100007.*

37 (b) *Payments for premiums from individuals to purchase*
38 *essential health benefits pursuant to Section 100009.*

39 (c) *Any funds appropriated to the fund by the Legislature.*

1 100005. *The California Essential Health Benefits Program*
2 *shall be administered by the Managed Risk Medical Insurance*
3 *Board. The board has the authority to do all of the following in*
4 *administering the program:*

5 (a) *Determine the eligibility of applicants.*

6 (b) *Develop and propose a budget for the program.*

7 (c) *Administer programs of essential health benefits coverage*
8 *as provided by this division.*

9 (d) *Contract with any public or private entity to administer or*
10 *carry out a program providing essential health benefits, or any*
11 *portion thereof, provided by this division.*

12 (e) *Adopt rules and regulations to carry out the purposes of this*
13 *division.*

14 (f) *Authorize expenditures from the fund or from other moneys*
15 *appropriated to it in the annual Budget Act or any other act to*
16 *carry out the purposes of this division.*

17 (g) *Exercise all powers reasonably necessary to carry out the*
18 *powers and responsibilities granted or imposed under this*
19 *division.*

20 (h) *Collect all fees, charges, and premiums authorized by this*
21 *division for deposit into the fund.*

22 100006. *All moneys in the Essential Health Benefits Fund are*
23 *continuously appropriated, without regard to fiscal years, to the*
24 *board to carry out the purposes of this division. Not more than*
25 *_____ percent of the amounts deposited in the fund during the most*
26 *recently completed state fiscal year shall be available for*
27 *administration of the program during the current state fiscal year*
28 *unless appropriated by the Legislature for this purpose.*

29 100007. (a) *An employer with up to 200 employees shall pay*
30 *an assessment of _____ percent of its total payroll cost for all*
31 *full-time and part-time employees into the fund. An employer with*
32 *more than 200 employees shall pay an assessment of _____ percent*
33 *of its total payroll cost for all full-time and part-time employees*
34 *into the fund. An employer shall not be required to pay this*
35 *assessment if it provides a plan covering essential health benefits*
36 *to each of its full-time employees, to each of its part-time*
37 *employees on a prorated basis, and to any dependent of an*
38 *employee who is not receiving essential health benefits from a*
39 *different employer. An employer is not subject to the assessment*
40 *provided by this subdivision for failure to provide essential health*

1 *benefits to a dependent of an employee who is receiving essential*
2 *health benefits from another employer.*

3 *(b) The board shall contract with the Employment*
4 *Development Department to collect the assessment established by*
5 *this section.*

6 *(c) It is the intent of the Legislature that the assessment be set*
7 *at a level that together with employee contributions and subsidies*
8 *is sufficient to support a program of coverage equivalent to the*
9 *essential benefit plan.*

10 *100008. An employer electing to provide essential health*
11 *benefits pursuant to this division may do any of the following:*

12 *(a) Select and purchase that coverage from any health plan.*

13 *(b) Provide coverage through self-funded, employer-sponsored*
14 *plans if the employer is not community rated and otherwise meets*
15 *the requirements of this division.*

16 *100009. (a) The board shall offer coverage under the*
17 *program to all employees of employers electing to pay an*
18 *assessment under Section 100007, and to all self-employed and*
19 *unemployed persons and their dependents who elect to obtain*
20 *coverage from the program. In addition to a benefit plan covering*
21 *only the essential health benefits required under Section 100013,*
22 *the board shall offer one or more plans covering additional*
23 *benefits to each person seeking coverage under the program.*

24 *(b) The board shall contract with all health or disability*
25 *insurers licensed by the Department of Insurance and all health*
26 *care service plans licensed by the Department of Managed Health*
27 *Care in geographic areas where it provides coverage of essential*
28 *health benefits.*

29 *100010. The board shall arrange for coverage of essential*
30 *health benefits through the purchasing pool for the employees and*
31 *their dependents of those employers who pay the assessment*
32 *established by the board under Section 100007, and for the*
33 *coverage of other eligible beneficiaries who obtain coverage from*
34 *the program pursuant to Section 100009. The board shall obtain*
35 *coverage through the purchase of coverage from health care*
36 *service plans and health and disability insurers. However, the*
37 *board may obtain coverage by directly contracting with providers*
38 *on either a prepaid or negotiated fee basis, or a combination of*
39 *both methods where coverage by a health care service plan or*
40 *insurer is not available in a geographic area. In contracting*

1 *directly, the board shall include safety net providers. In arranging*
2 *coverage, by any means, the board is not subject to the*
3 *requirements of the Knox-Keene Health Care Service Plan Act of*
4 *1975 relating to the licensure of health care service plans, nor to*
5 *the requirements of any provision of the Insurance Code requiring*
6 *an insurance certificate. The activities of the board are not subject*
7 *to licensure or regulation by the Department of Insurance, the*
8 *Department of Managed Health Care, or any other agency of state*
9 *government in any manner whatsoever.*

10 *100011. (a) An employer shall be responsible for 75 percent*
11 *of the premium for essential health benefits for each employee,*
12 *subject to cost sharing as permitted by subdivision (c) of Section*
13 *100013 and proration of hours worked by the employee. An*
14 *employer shall be responsible for 50 percent of the premium for*
15 *essential health benefits for employee dependents, subject to cost*
16 *sharing as permitted by subdivision (c) of Section 100013 and*
17 *proration of hours worked by the employee.*

18 *(b) An employer providing coverage exceeding the minimum*
19 *benefits required by this division may charge an additional share*
20 *of the premium for additional coverage except that the share of the*
21 *premium may not exceed the cost of the additional coverage to the*
22 *employer.*

23 *(c) An employee or dependent is responsible for the cost*
24 *sharing for the minimum coverage benefits required by this*
25 *division to the extent set forth in Section 100013.*

26 *(d) All existing tax benefits provided to employers for providing*
27 *health care coverage to their employees shall be maintained.*

28 *100012. An employer that provides essential health benefits*
29 *pursuant to Section 100013 shall provide these benefits to every*
30 *employee who has qualifying wages under the Unemployment*
31 *Insurance Code. An employer shall continue payments for these*
32 *benefits or continue to pay the assessment under Section 100007*
33 *for an employee who is hospitalized or otherwise prevented by*
34 *sickness or injury from working and earning wages, and for whom*
35 *sick leave benefits are exhausted. This obligation shall continue*
36 *for three months following the month during which the employee*
37 *became hospitalized or disabled from working, or the month the*
38 *employee becomes eligible for other public or private coverage,*
39 *whichever occurs first. An employer is not required to provide*

1 *essential health benefits pursuant to this division with respect to*
2 *an employee if any of the following occur:*

3 *(a) The employer is not the principal employer of the employee*
4 *in terms of monthly hours worked.*

5 *(b) The employee has other health care coverage under any law*
6 *of the United States or this state.*

7 *(c) The employee is covered as a dependent under a health care*
8 *service plan, disability insurance policy, or self-funded*
9 *employer-sponsored plan that has health care coverage benefits*
10 *meeting the requirements of this division.*

11 *100013. (a) Essential health benefits shall consist of*
12 *medically necessary, evidence based services periodically updated*
13 *by the board within the following benefit categories:*

14 *(1) Preventive services.*

15 *(2) Physicians services.*

16 *(3) Outpatient hospital services.*

17 *(4) Inpatient hospital services.*

18 *(5) Pharmaceuticals.*

19 *(6) Diagnostic laboratory and diagnostic and therapeutic*
20 *radiologic services.*

21 *(7) Emergency health care services.*

22 *(8) Home health services.*

23 *(9) Hospice services.*

24 *(b) The board shall create an advisory group to recommend*
25 *additions and deletions to the essential health benefits package.*
26 *The advisory group shall include experts in each of the following*
27 *areas:*

28 *(1) Clinical practice.*

29 *(2) Evidence-based outcomes research, including technology*
30 *assessment.*

31 *(3) Clinical cost-benefit and cost-effective analysis, including*
32 *pharmoeconomics.*

33 *The advisory group may not review the interpretation or*
34 *application of these benefits in individual patient cases and may*
35 *not replace independent medical review.*

36 *(c) Maximum annual individual and family out of pocket*
37 *spending caps shall be set at _____ and _____, respectively. These*
38 *caps may be increased from time to time by the board to reflect*
39 *increases in health care costs.*

1 (d) *It is the intent of the Legislature that cost sharing with*
2 *respect to the essential health benefits package shall encourage*
3 *appropriate use of health services but not create a significant*
4 *barrier to health care.*

5 (e) *The board shall establish rules on guaranteed issue, rating,*
6 *and risk adjustment for participating health plans. These rules*
7 *shall be consistent with rules for items applicable to health plans*
8 *operating outside the purchasing pool.*

9 (f) *The standards and rules set forth above shall also apply to*
10 *employers who select the option to provide health care coverage*
11 *outside the purchasing pool.*

12 100014. *An employer providing health care coverage*
13 *pursuant to this division may not be required to pay for health care*
14 *benefits in any of the following circumstances:*

15 (a) *When the beneficiary is entitled to receive disability*
16 *benefits or compensation under any workers' compensation or*
17 *employers' liability law that covers the health care services needed*
18 *to treat the injury or illness.*

19 (b) *When health care services for an injury or illness are*
20 *provided to the beneficiary by any federal, state, local, or other*
21 *agency without charge.*

22 (c) *When health care services are covered under a public health*
23 *benefit program including, but not limited to, the Medicare*
24 *program, the Medi-Cal program, the Healthy Families Program,*
25 *the Managed Risk Medical Insurance Program, or the Access for*
26 *Infants and Mothers Program.*

27 100015. *An employer may not request or otherwise seek to*
28 *obtain information concerning income or other eligibility*
29 *requirements for public health benefit programs regarding an*
30 *employee, dependent, or other family member of an employee,*
31 *other than that information about the employee's employment*
32 *status otherwise known to the employer consistent with existing*
33 *state and federal law and regulation. For these purposes, public*
34 *health benefit programs include, but are not limited to, the*
35 *Medi-Cal program, Healthy Families Program, Managed Risk*
36 *Medical Insurance Program, and Access for Infants and Mothers*
37 *program.*

38 100016. *The Employment Development Department shall*
39 *adopt regulations to ensure that employers comply with the*
40 *provisions of this division.*

1 100017. (a) Every health care service plan and health and
2 disability insurer offering coverage of health care benefits to one
3 or more employers or individuals shall do the following:

4 (1) Offer a plan of coverage consisting of the essential health
5 benefits specified in Section 100013 on a guaranteed issue basis,
6 consistent with rating and participation rules established by the
7 board to any employee within its service areas.

8 (2) Offer a plan of coverage consisting of the essential health
9 benefits specified in Section 100013 on a guaranteed issue basis,
10 consistent with rating and participation rules established by the
11 board to any self-employed or unemployed individual residing
12 within its service areas.

13 (b) A health care service plan or health and disability insurer
14 may not offer a plan of coverage with fewer benefits or higher cost
15 sharing than the essential health benefits required by Section
16 100013.

17 100018. (a) A health care service plan or health or disability
18 insurer providing coverage of essential health benefits to
19 employers or individuals shall comply with the following
20 requirements:

21 (1) Employer groups with up to 200 employees shall be charged
22 a community rate for the portion of any policy covering the
23 essential health benefits specified by Section 100013, with
24 standardized adjustments for age and geographical area approved
25 by the board. Rates shall be equivalent for all individuals in the
26 same group.

27 (2) Employer groups with more than 200 employees may be
28 charged a community rate or may be charged on an experience
29 rated basis or other actuarially appropriate basis.

30 (b) All individuals who do not receive coverage through an
31 employer group and who purchase coverage from a health care
32 service plan or health or disability insurer under this division shall
33 be rated on a community rating basis, with standardized
34 adjustments for age and geographic areas approved by the board,
35 for the portion of any policy covering the essential health benefits
36 specified by Section 100013. The board shall set rate bands which
37 establish the ratios between the oldest and youngest age rating
38 categories. This provision shall not apply to individuals covered
39 under a federal Medicare program or Medicare supplemental
40 plan.

1 100019. (a) The board shall establish a risk allocation
2 program in which each health care service plan or health or
3 disability insurer providing coverage purchased by the pool shall
4 participate. The risk allocation program shall adjust payments to
5 participating health plans for providing those essential health
6 benefits required pursuant to Section 100013. Risk adjustments
7 may be made only on the basis of factors approved by the board.
8 The board may conduct studies on the equitable spreading of the
9 risks of health care costs across the population receiving health
10 coverage under the pool in establishing and updating its risk
11 allocation program.

12 (b) The board shall establish an outlier pool that would
13 compensate participating health care service plans and health and
14 disability insurer for extraordinary losses resulting from the
15 coverage of essential health benefits required pursuant to Section
16 100013. The board shall establish criteria for defining cases
17 eligible for outlier payments and the amount of the payments. All
18 health care service plans and health and disability insurer
19 providing essential health benefits required under Section 100013
20 may elect to participate in the risk outlier program. Participation
21 in the outlier pool shall be voluntary. The pool shall be self-funded.
22 The board shall establish the amount of contributions to the pool
23 from all participants.

24 100020. (a) The board shall establish a program to subsidize
25 or reduce on a sliding scale premiums paid by employers and
26 individuals and cost sharing paid by individuals based upon the
27 ability to pay and the appropriateness of payment under the
28 circumstances.

29 (b) The board shall establish a program to subsidize or reduce
30 on a sliding scale the assessment upon employers for purchasing
31 coverage under the pool based upon the employer's ability to pay
32 the assessment and appropriateness of payment under the
33 circumstances.

34 100021. (a) Every individual who is either 18 years of age or
35 older or an emancipated minor residing in California who is not
36 enrolled in a public benefit program described in Section 100015
37 shall have and demonstrate evidence of coverage for himself or
38 herself and his or her dependents of at least the essential health
39 benefits specified in Section 100013.



(b) *The Franchise Tax Board shall distribute to every person to whom it distributes information regarding personal income tax liability, including, without limitation, every person who filed a personal income tax return in the most recent calendar year; a form prepared by the board that informs the recipient of the requirement to establish and maintain coverage of essential health benefits.*

(c) *Failure to maintain coverage of essential health benefits as required by this division is punishable by a civil fine not exceeding _____.*

100022. *The provisions of the program are not severable. If any provision of this program, or its application, is held invalid, then all provisions of the program are invalid.*

SEC. 4. *Section 12712.7 is added to the Insurance Code, to read:*

12712.7. *Notwithstanding any other provision of law, it is the policy of this state that disability or health insurers shall operate in a manner consistent with their participation in the California Essential Health Benefits Program established under Division 100 (commencing with Section 100000) of the Health and Safety Code. Any provisions of this code that are inconsistent with participation by licensed disability or health insurers in the California Essential Health Benefits Program shall be waived by the commissioner to the extent necessary to authorize a disability or health insurer to participate in the program. Notwithstanding any other provision of law, a disability or health insurer shall do the following:*

(a) *May offer coverage of health care benefits consisting only of the essential health benefits and cost sharing pursuant to Section 100013 of the Health and Safety Code, and any regulations and policies adopted by the Managed Risk Medical Insurance Board to implement Section 100013.*

(b) *May not offer coverage of health care benefits with fewer benefits or greater cost sharing than provided by Section 100013 of the Health and Safety Code, and any regulations and policies adopted by the Managed Risk Medical Insurance Board to implement Section 100013.*

SEC. 5. *Section 12714.5 is added to the Insurance Code, to read:*

12714.5. *Notwithstanding any other provision of law, the rating of small groups by any health or disability insurer; multiple employer trust, or Taft-Hartley trust shall be consistent with the*

1 *requirements of the California Essential Health Benefits Program*
2 *established by Division 100 (commencing with Section 100000) of*
3 *the Health and Safety Code and any regulations and policies*
4 *adopted by the Managed Risk Medical Insurance Board to*
5 *implement Division 100.*

6 ~~Healthy California Act of 2003 in order to ensure access to health~~
7 ~~care coverage for all Californians by all of the following:~~

8 ~~(a) Enacting a standard uniform benefit package that is~~
9 ~~universally available without barriers through health care service~~
10 ~~plans and health insurers.~~

11 ~~(b) Requiring individual responsibility and accountability to~~
12 ~~secure and maintain health care coverage.~~

13 ~~(c) Ensuring that all persons eligible for Medi-Cal, the Healthy~~
14 ~~Families Program, or other governmental health care coverage or~~
15 ~~assistance are enrolled in the specific program and receive the~~
16 ~~services to which they are entitled.~~

17 ~~(d) Requiring universal employer participation.~~

18 ~~(e) Providing public support, in varying degrees, for all~~
19 ~~persons, through tax policies, subsidies, and sponsorships.~~

20 ~~(f) It is the goal of this act to achieve the maximum feasible~~
21 ~~enrollment of Californians in health plans that offer, at a minimum,~~
22 ~~a standard uniform benefit package to all individuals.~~